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# LENDER NEWS

A Publication of the Des Moines District Office and Cedar Rapids Branch Office

June, 2005

## From the District Director's Desk

### SBA Loan Approvals Still Up in Iowa

Dear Lender-

A large thanks to you our lending partners for a very productive month of May. Ninety-one small businesses were served this past month with our 7(a) and 504 lending programs. This compares to 82 last month and 51 for the month of May in 2004. Overall, our 7(a) lending is up 6 percent in number of loan and our 504-loan activity up 30 percent over the same period last year. We are on track to exceed our loan goals for 7(a) startup loans and for 504 loans. Forty-four percent of our 7(a) loans to date have been to new or startup businesses. Our goal for existing 7(a) loans is a bit more of a challenge, however and will likely fall short of achievement. We encourage

you to continue to look for opportunities to assist the existing businesses in your community.

We also extend our appreciation to participant lenders in our 504-loan program with our certified development companies. You are a key partner in the success of this program in Iowa. The processing of 504 loans is expected to be easier with the announcement this week of a one year pilot to streamline the processing of the loans.

Sincerely

Joseph M. Folsom  
District Director

## New Trade Opportunities are a Boon to Small Businesses

By SBA Administrator Hector Barreto

Congress will soon begin debating the value of expanding trade with our friends in the Dominican Republic, Costa Rica, Guatemala, Nicaragua, Honduras and El Salvador. From the perspective of a former small business owner, the prospect of expanding trade opportunities through the Dominican Republic-Central American Free Trade Agreement (DR-CAFTA) is encouraging.

DR-CAFTA will level the playing field for American workers, farmers and ranchers by reducing and eliminating onerous tariffs and regulations. Consider this: currently, 80% of imports enter the United States from the DR-CAFTA countries duty free. The same is not true for American exports, on which DR-CAFTA countries still levy significant tariffs. Passage of this trade pact would correct this harmful trade imbalance.

U.S. businesses expected to benefit from this immediate duty elimination include information technology products, agricultural and construction equipment, paper products, pharmaceuticals, medical and scientific equipment, high-quality cuts of beef, soybeans, cotton, wheat, along with many fruits and vegetables and processed food products.

Remaining tariffs will phase out over the next few years. Those levied on U.S. automobiles and auto parts will be eliminated in the next five years; consumer and industrial goods will see all residual tariffs lifted within 10 years; and tariffs on all U.S. farm products will be lifted within 20 years, and most in the next 15.

Expanding the marketplace for American goods will result in billions of dollars of growth. (Continued on Page 2)

## INFORMATION

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### LowDoc Processing Center

Sacramento, CA  
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(916) 930-2180 FAX

### Fresno Servicing Center

Fresno, CA  
(559) 487-5650  
(559) 487-5803 FAX

### Liquidation & Purchase Center

Herndon, VA  
(703) 487-9283  
(202) 481-4674 FAX

### PLP Processing Center

Sacramento, CA  
(916) 930-2463 or 930-2460  
(916) 930-2160 FAX

## NOTE ON PARTICIPATING SBA EXPRESS LENDERS

The following banks were inadvertently omitted from the list of participating SBA Express Lenders in last month's SBA Lender News.

- Cherokee State Bank - Cherokee
- First American Bank - Ft. Dodge

We apologize for the error and once again thank all of our Express Lenders for their participation in the program.

## Administrator Hector Barreto's Editorial: DR-CAFTA *Continued*

The DR-CAFTA market already consumes over \$4 billion in consumer and industrial goods alone, even with heavy tariffs in place. The U.S. Chamber of Commerce predicts U.S. sales to the region will increase by \$3 billion in the first year. And the American Farm Bureau forecasts that farm exports could grow by as much as \$1.5 billion annually.

There are other, more specific economic benefits to American small businesses including a strengthening of the U.S. textile industry's ability to compete with Asia; strengthening of protections for U.S. patents, trademarks and trade secrets; ground-breaking anti-corruption measures in government contracting; and increased transparency in customs operations and dispute settlement mechanisms.

Aside from the obvious and immediate economic benefits, DR-CAFTA will advance economic development and strengthen security among our neighbors.

Democracy in Central America remains precarious, but it is paramount to peace and prosperity for the citizens of those nations. By providing economic support to countries forging their future under the banner of democracy, we support their economic freedom and the democratic institutions that will lead to regional stability and increased quality of life among their people.

Improving labor standards and economic growth throughout the region will be good for American small business and better for Central American and Dominican Republic workers.

Small businesses, the backbone of the American economy, create more than 37 percent of the value of U.S. exports to the DR-CAFTA region. Their stake in the outcome of this free-trade agreement is great; as it is for all Americans. Our security depends on our prosperity and that of our neighbors. The potential economic growth that creates jobs for workers and encourages political and economic stability will foster increased productivity and peace at home and abroad.

DR-CAFTA is one of the most important trade agreements in our nation's history. Congress must pass DR-CAFTA.

*Hector V. Barreto is a former Small Business owner and the 21<sup>st</sup> Administrator of the U.S. Small Business Administration.*

### SBA Lender Activity Report for May

LENDER NAME	LOCATION	#	AMOUNT
U.S. Bank	Iowa	12	\$475,000
Cedar Rapids Bank & Trust Co.	Cedar Rapids	4	\$500,000
Iowa State Bank	Des Moines	4	\$371,000
Wells Fargo Bank	Iowa	4	\$260,000
Siouxland Econ. Dev. Corp.	Sioux City	3	\$1,241,000
First American Bank	Fort Dodge	3	\$990,000
Great Western Bank	Clive	3	\$385,000
Northwest Bank & Trust Co.	Davenport	3	\$265,000
Charter Bank	Johnston	2	\$630,000
Security State Bank	Sheldon	2	\$475,000
First State Bank	Conrad	2	\$116,000
Farmers State Bank	Marion	2	\$95,000
Iowa State Bank	Wapello	2	\$41,000
Small Business Growth Corp.	Illinois	1	\$1,366,000
Waukon State Bank	Waukon	1	\$1,230,000
Quad City Bank & Trust Co.	Davenport	1	\$1,100,000
Black Hawk County Econ. Dev.	Waterloo	1	\$619,000
Iowa Business Growth Co.	Johnston	1	\$528,000
Heartland Bank	Somers	1	\$500,000
State Bank of Toledo	Toledo	1	\$430,000
First Federal Bank	Sioux City	1	\$390,000
E.C.I.A. Business Growth, Inc.	Dubuque	1	\$310,000
Citizens State Bank	Pocahontas	1	\$300,000
Iowa State Bank & Trust Co.	Iowa City	1	\$298,600
Corporation for Econ. Dev.	Des Moines	1	\$256,000
Hiawatha Bank & Trust Co.	Hiawatha	1	\$242,400
First Community Bank	Keokuk	1	\$225,000
Lincoln Savings Bank	Waterloo	1	\$200,000
1st National Bank Oelwein	Oelwein	1	\$150,000

LENDER NAME	LOCATION	#	AMOUNT
Bankers Trust	Cedar Rapids	1	\$150,000
First Bank	WDM	1	\$135,300
River Valley	Ames	1	\$131,000
Polk County Bank	Polk City	1	\$125,000
George State Bank	George	1	\$115,000
American National Bank	Nebraska	1	\$105,000
Clear Lake Bank & Trust	Clear Lake	1	\$96,200
Great River Bank & Trust	Davenport	1	\$91,000
Community Bank	Alton	1	\$90,000
First State Bank Iowa	New Hampton	1	\$90,000
Peoples Bank	Rock Valley	1	\$81,000
Ames Community Bank	Ames	1	\$80,000
Peoples Trust & Savings Bank	Adel	1	\$77,000
Bank of America	Iowa	1	\$75,000
Humboldt Trust & Savings	Humboldt	1	\$75,000
Gateway State Bank	Clinton	1	\$67,500
Hills Bank and Trust Company	Hills	1	\$60,000
First Citizens National Bank	Mason City	1	\$49,500
Iowa Savings Bank	Carroll	1	\$48,000
Community State Bank	Spencer	1	\$45,000
First Central State Bank	DeWitt	1	\$44,500
Union State Bank	Greenfield	1	\$44,000
Dubuque Bank and Trust Co.	Dubuque	1	\$42,000
United Bank of Iowa	Ida Grove	1	\$35,000
First State Bank	Mapleton	1	\$20,000
MidStates Bank N.A.	Harlan	1	\$20,000
Iowa State Bank	Hull	1	\$8,500
Innovative Bank	California	1	\$5,000

**The following lenders in Iowa were participant lenders in the SBA's 504 loan program during the month of May**

LENDER NAME	LOCATION	#	AMOUNT
Quad Cities Bank & Trust	Bettendorf	1	\$2,212,875
Liberty National Bank	Sioux City	1	\$762,500
Marine Bank & Trust	Carthage, IL	1	\$752,500
Liberty Bank	WDM	1	\$576,900

LENDER NAME	LOCATION	#	AMOUNT
Central Bank	Cherokee	1	\$400,305
Lee County Bank & Trust	Ft. Madison	1	\$350,000
Pioneer Bank	Sgt. Bluff	1	\$337,500
Iowa Savings Bank	Cedar Rapids	1	\$309,615